
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 13, 2011

XPO LOGISTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-32172
(Commission
File Number)

03-0450326
(I.R.S. Employer
Identification No.)

429 Post Road, Buchanan, Michigan 49107
(Address of principal executive offices)

(269) 695-2700
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On November 7, 2011, XPO Logistics, Inc. (the “Company”) issued a press release reporting its financial results for the quarter ended September 30, 2011. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished in this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. This information shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the registrant specifically incorporates any such information by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Appointment of Sean Fernandez as Chief Operating Officer

On November 7, 2011, the Company announced that Sean Fernandez has been appointed as the Chief Operating Officer of the Company.

Mr. Fernandez, 48, is responsible for the day-to-day operations and P&L performance of the Company. Mr. Fernandez has more than 20 years of leadership experience with global companies in industries that include distribution, consumer goods manufacturing, trucking and transportation. He most recently served as Senior Vice President and General Manager—Consumables for NCR Corporation, and earlier held positions as Vice President—New Growth Platforms with Avery Dennison Corporation, Chief Operating Officer with SIRVA, Inc., group President with Esselte Corporation, Chief Operating Officer—Asia Pac Operations and divisional President with Arrow Electronics, Inc. and Senior Engagement Manager with McKinsey & Company, Inc., as well as numerous other executive positions. He holds a master of business administration degree from Harvard Business School and a bachelor’s degree in business administration from Boston College.

Employment Agreement with Sean Fernandez

On October 13, 2011, the Compensation Committee of the Company’s Board of Directors (the “Compensation Committee”) approved, and the Company entered into, the Employment Agreement by and between the Company and Sean Fernandez (the “Employment Agreement”). In accordance with the instruction to paragraph (c) of Item 5.02 of Form 8-K, the information contained in this Item 5.02 is being filed as part of this Current Report on Form 8-K on the date of the public announcement of Mr. Fernandez’s appointment as the Chief Operating Officer of the Company.

Term. Pursuant to the Employment Agreement, the term of Mr. Fernandez’s employment began on November 7, 2011 (the “Start Date”) and will end on September 2, 2016.

Title. Pursuant to the Employment Agreement, Mr. Fernandez will serve as the Chief Operating Officer of the Company.

Salary and Annual Bonus. Under the Employment Agreement, Mr. Fernandez’s annual base salary will be \$475,000. As additional compensation, Mr. Fernandez will have the opportunity to earn a performance-based bonus for each year during his employment commencing in the 2012 fiscal year,

targeted at 100% of his base salary and based upon his achievement of performance goals as determined by the Compensation Committee.

Make-Whole Payment. Under the Employment Agreement, in order to compensate Mr. Fernandez for all benefits and payments that he forfeited when he ceased employment with his former employer, Mr. Fernandez will receive a cash payment equal to \$250,000 (the "Make-Whole Payment"), which is payable no later than March 15, 2012. Mr. Fernandez generally must remain employed until the payment date to receive the Make-Whole Payment.

Initial Equity Incentive Awards. The Employment Agreement provides that, on or as promptly as practicable following the Start Date, Mr. Fernandez will receive an award of 95,000 performance-based restricted stock units ("Performance-Based RSUs"), 55,000 time-based restricted stock units ("Time-Based RSUs") and an award of options to purchase 55,000 shares of Company common stock ("Options" and, collectively with the Performance-Based RSUs and Time-Based RSUs, the "Awards").

The Awards will be made, subject to approval by the Compensation Committee, under the Company's 2011 Omnibus Incentive Compensation Plan and will be generally subject to the terms of such plan. Subject to Mr. Fernandez's continued employment by the Company on each vesting date, the Awards will vest in five installments beginning on September 2, 2012 and on each of the first four anniversaries thereof as follows: (1) 25,000 Performance-Based RSUs will vest on the first vesting date and 17,500 Performance-Based RSUs will vest on each of the following four vesting dates, in each case, subject to Mr. Fernandez's achievement of performance goals as determined by the Compensation Committee; (2) 5,000 Time-Based RSUs will vest on the first vesting date and 12,500 Time-Based RSUs will vest on each of the following four vesting dates; and (3) the Options will vest in equal annual installments of 20% on each vesting date.

Benefits and Business Expense Reimbursement. Mr. Fernandez is also eligible to participate in the benefit plans and programs of the Company that are generally available to other members of the Company's senior executive team and will be reimbursed for all reasonable and necessary business expenses incurred in the performance of his duties during the term.

Termination Events. The Employment Agreement further provides that the Company may terminate Mr. Fernandez's employment during the term with or without Cause (as defined in the Employment Agreement) and Mr. Fernandez may terminate his employment voluntarily with or without Good Reason (as defined in the Employment Agreement). Other than in the event of Mr. Fernandez's death or disability, the severance payments described below are subject to and conditioned upon (1) Mr. Fernandez providing an irrevocable waiver and general release to the Company and (2) Mr. Fernandez's compliance with the restrictive covenants contained in the Employment Agreement.

In the event that Mr. Fernandez dies or becomes disabled during the term or, either prior to a Change of Control (as defined in the Company's 2011 Omnibus Incentive Compensation Plan) or more than two years following a Change of Control, the Company terminates Mr. Fernandez's employment without Cause or he resigns for Good Reason, he generally will be entitled to, in addition to accrued benefits, two years' base salary, as in effect on the date of termination, to be paid in substantially equal installments over the 24 months following the date of termination, plus any annual bonus that the Company has notified Mr. Fernandez in writing that he has earned prior to the date of termination but is unpaid as of the date of termination. In addition, Mr. Fernandez generally will be entitled to medical and dental coverage for a period of 12 months from the date of termination. Any monies Mr. Fernandez earns from other work will reduce these amounts, dollar-for-dollar, and medical and dental benefits will cease in the event Mr. Fernandez secures other employment. The Employment Agreement provides that, in the event of Mr. Fernandez's death or disability, all unvested Awards will automatically vest. In addition, the Employment Agreement provides that, in the event Mr. Fernandez's employment is terminated either by the Company without Cause or by Mr. Fernandez for Good Reason, a prorated portion of any unvested Awards outstanding as of the date of termination and scheduled to vest on the next vesting date following the date of termination will immediately vest as determined in accordance with the Employment Agreement. The portion of Performance-Based RSUs that will be eligible to vest upon such termination

will be determined following the last day of the applicable performance period based on the Company's actual performance during such period. The balance of any Awards will be forfeited upon the date of termination. The Employment Agreement also provides that, in the case of a termination of Mr. Fernandez's employment by the Company without Cause (but not by Mr. Fernandez for Good Reason), Mr. Fernandez will receive the Make-Whole Payment to the extent not previously paid.

If Mr. Fernandez's employment is terminated by the Company for Cause or if Mr. Fernandez voluntarily resigns without Good Reason, he will not be entitled to any severance pay or accelerated vesting of Awards, although he will be entitled to payment for any accrued benefits.

Change of Control. The Employment Agreement provides that, upon the occurrence of a Change of Control while Mr. Fernandez is still employed by the Company, all outstanding Awards will automatically vest. In addition, in the event that, within two years following a Change of Control, the Company terminates Mr. Fernandez's employment without Cause or Mr. Fernandez resigns for Good Reason, the Employment Agreement provides that Mr. Fernandez will generally receive any accrued benefits, a lump-sum cash payment equal to three times the sum of his base salary and target annual bonus, each as in effect on the date of termination. In addition, Mr. Fernandez will generally receive any annual bonus that the Company has notified him in writing that he has earned prior to the date of termination but is unpaid as of such date and medical and dental coverage for a period of 36 months from the date of termination. In addition, in the case of a termination of Mr. Fernandez's employment by the Company without Cause (but not by Mr. Fernandez for Good Reason), Mr. Fernandez will receive the Make-Whole Payment to the extent not previously paid.

Clawbacks. Under the Employment Agreement, Mr. Fernandez is subject to equity and annual bonus clawback provisions. In the event of (1) a breach of the restrictive covenants contained in the Employment Agreement, (2) the termination of Mr. Fernandez's employment by the Company for Cause or (3) any significant financial restatement or material loss to the Company to which Mr. Fernandez has materially contributed due to fraud or willful misconduct, the Company may terminate or cancel any Awards granted to Mr. Fernandez by the Company (whether vested or unvested), and require Mr. Fernandez to forfeit or remit to the Company any amount payable (or the after-tax net amount paid or received by Mr. Fernandez) in respect of any such Awards. Furthermore, under the Employment Agreement, in the event that Mr. Fernandez engages in fraud or other willful misconduct that contributes materially to any significant financial restatement or material loss to the Company, the Company may require Mr. Fernandez to repay any annual bonus (net of any taxes paid by him) previously paid to him, cancel any earned but unpaid annual bonus or adjust any future compensation such that Mr. Fernandez will only retain the amount that would have been payable to him after giving effect to the financial restatement or material loss.

Miscellaneous. Under the Employment Agreement, Mr. Fernandez is subject to the following restrictive covenants: employee and customer non-solicitation during his employment and for a period of three years thereafter, confidentiality and non-disparagement during his employment and thereafter, and non-competition during his employment and for a period of one year following termination by the Company without Cause or by Mr. Fernandez for Good Reason and for a period of three years following any other type of termination. In addition, the Company has the option to extend the non-competition period for two additional one-year periods following a termination by the Company without Cause or by Mr. Fernandez for Good Reason, provided that the Company continues to pay Mr. Fernandez's base salary as in effect on the date of termination during the extended non-competition period.

This description of the Employment Agreement is qualified in its entirety by reference to the Employment Agreement, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Exhibit Description</u> |
|------------------------|--|
| 10.1 | Employment Agreement, dated as of October 13, 2011, by and between XPO Logistics, Inc. and Sean Fernandez. |
| 99.1 | Press Release, dated November 7, 2011, issued by XPO Logistics, Inc. |

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated November 7, 2011

XPO LOGISTICS, INC.

By: /s/ Bradley S. Jacobs
Bradley S. Jacobs
Chairman and Chief Executive Officer

EXHIBIT INDEX

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EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), effective as of October 13, 2011, by and between XPO Logistics, Inc., a Delaware corporation (together with its successors and assigns, the "Company"), and Sean Fernandez ("Employee").

WHEREAS, the Company desires to employ Employee and Employee desires to accept such employment with the Company, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, Employee and the Company agree as follows:

1. Term and Duties. (a) Term. The term of Employee's employment hereunder (the "Term") shall begin on November 7, 2011 (the "Start Date") and end on September 2, 2016. Notwithstanding the foregoing, the Term may be earlier terminated by either party in accordance with the terms of Section 4 of this Agreement, and the Term shall automatically expire on the last day of the Term (the "Expiration Date") without notice required by any party to the other.

(b) Employment Duties. Employee shall perform such duties as are customarily performed by a chief operating officer of a public company and as assigned from time to time by the Chief Executive Officer of the Company (the "CEO"), which may include without limitation: (i) integrating acquisitions; (ii) overseeing all profit and loss activities; (iii) overseeing daily operations of all business units of the Company; and (iv) preparing recommendations and input regarding strategy, proposed acquisitions, business development and other operating and financial matters.

(c) Title, Full Time Service and Other Activities. During the Term, Employee shall serve as the Chief Operating Officer of the Company, and, excluding any periods of paid time-off or approved sick leave to which Employee is entitled, Employee shall devote his full working time, energy and attention to the performance of his duties and responsibilities hereunder and shall faithfully and diligently endeavor to promote the business and best interests of the Company. During the Term, Employee may not, without the prior written consent of the CEO, directly or indirectly, operate, participate in the management, operations or control of, or act as an employee, officer, consultant, partner, member, agent or representative of, any type of business or service other than as an employee and member of the Company. It shall not, however, be a violation of the foregoing provisions of this Section 1(c) for Employee to (i) serve as an officer or director or otherwise participate in non-profit, educational, social welfare, religious and civic organizations or (ii) manage his personal, financial and legal affairs, in each case so long as any such activities do not unreasonably interfere with the performance of his duties and responsibilities to the Company.

(d) Location. During the Term, Employee shall be based primarily in Wilton, Connecticut, provided that, if the Company's headquarters is located in the tri-state area, then Employee shall be based primarily at the Company's headquarters, in each case, with such travel as the performance of his duties to the Company may require.

2. Compensation. (a) Base Salary. During the Term, the Company shall pay Employee, pursuant to the Company's normal and customary payroll procedures but not less frequently than monthly, a base salary at the rate of \$475,000 per annum (the "Base Salary"). The Base Salary is subject to review annually throughout the Term by the Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company (the "Board") in its sole discretion.

(b) Annual Bonus. As additional compensation, Employee shall have the opportunity to earn a performance-based bonus ("Annual Bonus") for each year during the Term of Employee's employment commencing in the 2012 fiscal year targeted at 100% of the Base Salary based upon Employee's achievement of performance goals as determined by the Compensation Committee. The performance goals applicable to the Annual Bonus shall be based on one or more of the performance criteria set forth in Section 6(e)(iv) of the Company's 2011 Omnibus Incentive Compensation Plan (the "2011 Plan Performance Criteria"). In determining the Annual Bonus for the 2011 fiscal year, the Compensation Committee shall take into account and attach significant importance to the amount of Employee's foregone bonus from his immediately prior employer. Notwithstanding anything to the contrary contained herein and without limiting any other rights and remedies of the Company (including as may be required by law), if Employee has engaged in fraud or other willful misconduct that contributes materially to any significant financial restatements or material loss to the Company or any of its affiliates, the Company may require repayment by Employee of any cash Annual Bonus (net of any taxes paid by Employee on such payments) previously paid to Employee, or cancel any earned but unpaid Annual Bonus or adjust the future compensation of Employee in order to recover the amount by which any compensation paid to Employee exceeded the lower amount that would have been payable after giving effect to the restated financial results or the material loss.

(c) Make-Whole Payment. In order to compensation Employee for all benefits and payments that Employee forfeited when he ceased employment with his former employer, Employee shall receive a cash payment equal to \$250,000 (the "Make-Whole Payment"), which shall be payable no later than March 15, 2012, provided that, except to the extent provided in Sections 5(d)(iii) and 5(e)(iii) of this Agreement, Employee remains continuously employed by the Company on the payment date.

(d) Benefits. During the Term, Employee shall be eligible to participate in the benefit plans and programs of the Company that are generally available to other members of the Company's senior executive team, subject to the terms and conditions of such plans and programs.

(e) Paid-Time Off. Employee shall be entitled to 13 days paid-time off, and any holidays that are generally afforded to the Company's employees, in each case,

per calendar year during the Term, prorated for the portion(s) of any partial calendar year during the Term. Employee may take paid-time off only with the consent of the CEO, which consent shall not be withheld unreasonably.

(f) Business Expenses. The Company shall provide Employee a Company-owned wireless smartphone and Company-owned laptop computer during the Term and shall pay or reimburse Employee for all reasonable and necessary business expenses incurred in the performance of his duties to the Company during the Term upon the presentation of appropriate statements of such expenses.

3. Equity Awards. (a) Grant. On or as promptly as practicable following the Start Date, subject to approval by the Compensation Committee, Employee shall receive (i) 150,000 restricted stock units (“RSUs”) of the Company of which (x) 55,000 RSUs (“Time-Based RSUs”) shall be subject to time-based vesting and (y) 95,000 RSUs (“Performance-Based RSUs”) shall be subject to performance-based vesting, and (ii) options (“Options”) to purchase 55,000 shares of Company common stock (“Shares”), with an exercise price equal to the closing price per Share as reported by the NYSE Amex LLC on the date of grant, in each case, on the terms set forth below and on such other customary terms and conditions as the Company may require.

(b) Vesting and Cancellation. The RSUs and Options shall initially be unvested and, subject to Employee’s continued employment hereunder, shall generally vest in equal annual installments of 20% each beginning on September 2, 2012 and continuing for the next four anniversaries thereof (each such date, a “Vesting Date”) as follows: (i) 5,000 Time-Based RSUs shall vest on the first Vesting Date and 12,500 Time-Based RSUs shall vest on each the following four Vesting Dates, in each case, solely based on Employee’s continued employment, (ii) 25,000 Performance-Based RSUs shall vest on the first Vesting Date and 17,500 Performance-Based RSUs shall vest on each of the following four Vesting Dates, in each case, subject to Employee’s achievement of performance goals as determined by the Compensation Committee, and (iii) the Options shall vest, solely based on Employee’s continued employment, in equal annual installments of 20% on each Vesting Date. The performance goals applicable to the Performance-Based RSUs shall be based on one or more of the 2011 Plan Performance Criteria.

(c) Treatment upon Termination of Employment. All unvested RSUs and Options referenced in this Section 3 shall be forfeited upon the termination of Employee’s employment with the Company for any reason other than (i) a termination by the Company without Cause or a termination by Employee for Good Reason and (ii) a termination due to Employee’s death or Disability. In the event that Employee’s employment with the Company is terminated by the Company without Cause or by Employee for Good Reason, subject to the terms and conditions of Section 5(f) of this Agreement, a portion of any unvested RSUs and Options referenced in this Section 3 outstanding as of the Date of Termination shall immediately vest as determined in accordance with the following sentence, and the balance of such RSUs and Options referenced in this Section 3 shall immediately be forfeited upon the Date of Termination. For purposes of this Section 3(c), (x) the portion of Time-Based RSUs and Options that

shall vest upon a termination pursuant to Section 3(c)(i) of this Agreement shall be calculated by multiplying the number of outstanding and unvested Time-Based RSUs and Options that would otherwise have vested on the next Vesting Date by a fraction, (1) the numerator of which shall be the number of days that have elapsed between the Vesting Date immediately preceding the Date of Termination and the Date of Termination (or, if Employee's employment is terminated before the first Vesting Date, between September 2, 2011 and the Date of Termination), and (2) the denominator of which shall be 365, and (y) the portion of Performance-Based RSUs that shall be eligible to vest upon a termination pursuant to Section 3(c)(i) of this Agreement shall be determined following the last day of the applicable performance period by multiplying the number of Performance-Based RSUs that would otherwise have vested on the next Vesting Date based on the Company's actual performance during such period by the same fraction applicable to the Time-Based RSUs and Options as set forth in Section 3(c)(x). In the event that Employee's employment hereunder terminates due to his death or Disability, all unvested RSUs and Options referenced in this Section 3 shall automatically vest and be settled, as applicable, within 30 days following the Date of Termination. No amounts shall be payable by the Company at any time with respect to any unvested RSUs or Options.

(d) Change of Control. Upon the occurrence of a Change of Control while Employee is still employed by the Company, all outstanding RSUs and Options shall be 100% vested. For the purposes of this Agreement, the term "Change of Control" shall have the meaning ascribed to it in the Company's 2011 Omnibus Incentive Compensation Plan.

4. Termination. Employee's employment hereunder shall be terminated upon the earliest to occur of any one of the following events (in which case the Term shall terminate as of the applicable Date of Termination):

(a) Expiration of Term. Unless sooner terminated, Employee's employment hereunder shall terminate automatically in accordance with Section 1(a) of this Agreement on the Expiration Date, unless otherwise agreed by the parties, in which case employment will continue on an at-will basis or pursuant to the terms of any subsequent agreement between Employee and the Company.

(b) Death. Employee's employment hereunder shall terminate upon his death.

(c) Cause. The Company may terminate Employee's employment hereunder for Cause by written notice at any time. For purposes of this Agreement, the term "Cause" shall mean Employee's (i) material dereliction of duties or his negligence or substantial failure to perform his duties hereunder or willful refusal to follow any lawful directive of the CEO or the Board; (ii) commission of any fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of money or other assets of the Company; (iii) material breach of any term of this Agreement or any agreement governing any of the equity compensation referred to in Section 3 of this Agreement (the "Equity Compensation"), or breach of his fiduciary duties to the Company; (iv) any

willful act, or failure to act, in bad faith to the material detriment of the Company; (v) willful failure to cooperate in good faith with a governmental or internal investigation of the Company or any of its directors, managers, officers or employees, if the Company requests his cooperation; and (vi) conviction of, or plea of nolo contendere to, a felony or any serious crime; provided that the Company will provide Employee with written notice describing the facts and circumstances that the Company believes constitutes Cause and, in cases where cure is possible, Employee shall first be provided a 15-day cure period. If, subsequent to Employee's termination of employment hereunder for any reason other than by the Company for Cause, it is determined in good faith by the CEO that Employee's employment could have been terminated by the Company for Cause pursuant to this Section 4(c), Employee's employment shall, at the election of the CEO, be deemed to have been terminated for Cause retroactively to the date the events giving rise to Cause occurred.

(d) Without Cause. The Company may terminate Employee's employment hereunder without Cause by written notice at any time.

(e) Good Reason. Employee may terminate his employment hereunder for Good Reason in accordance with the terms of this Section 4(e). For purposes of this Agreement, "Good Reason" shall mean, without first obtaining Employee's written consent: (i) the Company materially breaches the terms of this Agreement; (ii) the assignment of Employee to a position that is substantially inconsistent with Employee's professional skills and experience level as of the Start Date (including, for example, a change in Employee's status to a non-exempt employee for purposes of the Fair Labor Standards Act); or (iii) the Company reduces the Base Salary; provided that, the Company shall first be provided a 30-day cure period (the "Cure Period"), following receipt of written notice setting forth in reasonable detail the specific conduct of the Company that constitutes Good Reason, to cease, and to cure, any conduct specified in such written notice; provided further, that such notice shall be provided to the Company within 45 days of the occurrence of the conduct constituting Good Reason. If, at the end of the Cure Period, the circumstance that constitutes Good Reason has not been remedied, Employee will be entitled to terminate employment for Good Reason during the 30-day period that follows the end of the Cure Period. If Employee does not terminate employment during such 30-day period, Employee will not be permitted to terminate employment for Good Reason as a result of such event. If the Company disputes the existence of Good Reason, Employee shall have the burden of proof to establish that Good Reason does exist or that the circumstances that gave rise to Good Reason have not been cured. For the avoidance of doubt, a change in Employee's title or the person to whom Employee reports shall not constitute Good Reason for purposes of this Agreement, including, without limitation, pursuant to Section 4(e)(i) or 4(e)(ii).

(f) Voluntarily Resignation. Employee may voluntarily terminate his employment hereunder at any time upon at least 30 days' advance written notice to the Company.

(g) Disability. Employee's employment hereunder shall terminate in the event of Employee's Disability. For purposes of this Agreement, "Disability" shall mean

the inability of Employee, due to illness, accident or any other physical or mental incapacity, to perform Employee's duties for the Company for an aggregate of 180 days within any period of 12 consecutive months, which inability is determined to be total and permanent by a board-certified physician selected by the Company, and the determination of such physician shall be binding upon Employee and the Company.

(h) "Date of Termination" shall mean: (i) the scheduled expiration of the Term in the event of termination of Employee's employment pursuant to Section 4(a) of this Agreement; (ii) the date of Employee's death in the event of termination of Employee's employment pursuant to Section 4(b) of this Agreement; (iii) the date of the Company's delivery of a notice of termination to Employee or such later date as specified in such notice in the event of termination by the Company pursuant to Section 4(c) or 4(d) of this Agreement; (iv) the 30th date following delivery of Employee's notice to the Company of his resignation in accordance with Section 4(e) or 4(f) of this Agreement (or such earlier date as selected by the Company provided that the Company continues to pay or provide to Employee the compensation and benefits specified under Sections 2 and 3 of this Agreement through such 30th date) and (v) the date of a determination of Employee's Disability in the event of a termination of Employee's employment pursuant to Section 4(g) of this Agreement.

5. Termination Payments. (a) General. Except as otherwise set forth in this Section 5, following any termination of Employee's employment hereunder, the obligations of the Company to pay or provide Employee with compensation and benefits under Section 2 of this Agreement shall cease, and the Company shall have no further obligations to provide compensation or benefits to Employee hereunder except for payment of (i) any unpaid Base Salary accrued through the Date of Termination; (ii) to the extent required by law, any unused vacation accrued through the Date of Termination, and (iii) any unpaid or unreimbursed obligations and expenses under Section 2(f) of this Agreement accrued or incurred through the Date of Termination (collectively items (a)(i) through (a)(iii) above, the "Accrued Benefits"). The payments referred to in Sections 5(a)(i) and (ii) of this Agreement shall be paid within 30 days following the Date of Termination. The payments referred to in Section 5(a)(iii) of this Agreement shall be paid at the times such amounts would otherwise be paid had Employee's services hereunder not terminated. Upon termination of Employee's employment for any reason, all unvested RSUs and Options shall be cancelled without payment therefor except as otherwise specifically provided in Section 3(c) or 3(d) of this Agreement. The payments and benefits to be provided to Employee under Sections 5(c), (d) and (e) of this Agreement, if any, shall in all events be subject to the satisfaction of the conditions of Section 5(f) of this Agreement.

(b) Automatic Expiration of the Term, Voluntary Resignation, or Cause. If Employee's employment is terminated pursuant to Section 4(a), 4(c) or 4(f) of this Agreement, the Company shall have no obligation to Employee other than with respect to the Accrued Benefits.

(c) Death or Disability. In the event of a termination by reason of Employee's death or Disability, Employee (or his estate) shall be entitled to:

(i) the Accrued Benefits;

(ii) a cash payment (the "Severance Payment") equal to two year's Base Salary, as in effect on the Date of Termination (payable as set forth in Section 5(f) of this Agreement), plus any Annual Bonus that the Company has notified Employee in writing that Employee has earned prior to the Date of Termination but is unpaid as of the Date of Termination, and, solely in the case of Disability, medical and dental coverage for a period of 12 months from the Date of Termination; provided that, solely in the case of Disability, (x) any monies Employee earns from any other work, whether as an employee or as an independent contractor, while Employee is receiving any Severance Payments, shall reduce, on a dollar-for-dollar basis, the amount that the Company is obligated to pay Employee under this Section 5(c)(ii) and (y) if Employee secures other employment, any medical or dental benefits provided under this Section 5(c)(ii) shall cease as of the commencement of such employment; and

(iii) accelerated vesting of any outstanding RSUs and Options to the extent set forth in Section 3(c) of this Agreement.

(iv) Notwithstanding the foregoing, whenever compensation is payable to Employee hereunder as a result of a termination due to Disability during or with respect to a time that such Disability would entitle Employee to severance, disability income or to salary continuation payments from the Company, as applicable, according to the terms of any plan now or hereafter provided by the Company or according to any policy of the Company in effect at the time of such Disability, the compensation payable to Employee hereunder shall be reduced on a dollar-for-dollar basis by any such disability income or salary continuation and shall not be in addition thereto. If disability income is payable directly to Employee by an insurance company under an insurance policy paid for by the Company, the compensation payable to Employee hereunder shall be reduced on a dollar-for-dollar basis by the amounts paid to Employee by said insurance company and shall not be in addition thereto.

(d) Without Cause or for Good Reason. In the event that, either prior to a Change of Control or more than two years following a Change of Control, the Company terminates Employee's employment hereunder without Cause or Employee resigns for Good Reason, Employee shall be entitled to:

(i) the Accrued Benefits;

(ii) a cash payment (the "Non-CIC Severance Payment") equal to two year's Base Salary, as in effect on the Date of Termination (payable as set forth in Section 5(f) of this Agreement), plus any Annual Bonus that the Company has notified Employee in writing that Employee has earned prior to the Date of Termination but is unpaid as of the Date of Termination, and medical and dental coverage for a period of 12 months from the Date of Termination; provided that (x) any monies Employee earns from any other work, whether as an employee or as an independent contractor, while Employee is receiving any Non-CIC Severance Payments shall reduce, on a dollar-for-dollar basis, the amount that the Company is obligated to pay Employee under this

Section 5(d)(ii) and (y) if Employee secures other employment, any medical or dental benefits provided under this Section 5(d)(ii) shall cease as of the commencement of such employment;

(iii) solely in the case of a termination of Employee's employment by the Company without Cause, payment of the Make-Whole Payment to the extent not previously paid (payable as set forth in Section 5(f) of this Agreement); and

(iv) accelerated vesting of a portion of any outstanding RSUs and Options to the extent set forth in Section 3(c) of this Agreement.

(e) Without Cause or for Good Reason Following a Change of Control. In the event that, within two years following a Change of Control, the Company terminates Employee's employment hereunder without Cause or Employee resigns for Good Reason, Employee shall be entitled to:

(i) the Accrued Benefits;

(ii) a cash payment (the "CIC Severance Payment") equal to three times the sum of (x) the Base Salary, as in effect on the Date of Termination, and (y) the target Annual Bonus, as in effect on the Date of Termination (payable as set forth in Section 5(f) of this Agreement), plus any Annual Bonus that the Company has notified Employee in writing that Employee has earned prior to the Date of Termination but is unpaid as of the Date of Termination, and medical and dental coverage for a period of 36 months from the Date of Termination; and

(iii) solely in the case of a termination of Employee's employment by the Company without Cause, payment of the Make-Whole Payment to the extent not previously paid (payable as set forth in Section 5(f) of this Agreement).

(f) Conditions Precedent and Subsequent. The payments and benefits provided under Sections 5(c), 5(d) and 5(e) of this Agreement (other than the Accrued Benefits and other than in the event of termination by reason of Employee's death or Disability) are subject to and conditioned upon (i) Employee having provided, within 30 days after the Date of Termination (or such greater period as required by law), an irrevocable waiver and general release agreement in a form satisfactory to the Company that has become effective and irrevocable in accordance with its terms, and (ii) Employee's compliance with Sections 6 and 7 of this Agreement. Employee shall, upon request by the Company, be required to repay to the Company (net of any taxes paid by Employee on such payments), and the Company shall have no further obligation to pay, the Severance Payment, Non-CIC Severance Payment or CIC Severance Payment, as applicable, in the event Employee receives, within six months after the occurrence of the breach, written notice from the Company that, in the reasonable judgment of the CEO, Employee has materially breached his obligations under Section 6 or 7 of this Agreement; provided, however, that, in cases where cure is possible, Employee shall first be provided a 15-day cure period to cease, and to cure, such conduct. The Severance Payment and Non-CIC Severance Payment, if any, payable hereunder shall be paid in

substantially equal installments over the 24-month period, following the Date of Termination, consistent with the Company's payroll practices, with the first installment to be paid within 15 days after the condition described in Section 5(f)(i) of this Agreement has been satisfied and with any installments that would otherwise have been paid prior to such date accumulated and paid in a lump sum on the first date on which payments are made in accordance with the terms of this sentence. The CIC Severance Payment and Make-Whole Payment, if any, payable hereunder shall be paid in one lump sum within 15 days after the condition described in Section 5(f)(i) of this Agreement has been satisfied; provided, however, that, unless the CIC Severance Payment relates to a transaction that satisfies the requirements of Treas. Reg. § 1.409A-3(i)(5), any portion of the CIC Severance Payment that constitutes deferred compensation within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), will be paid at the earliest date that is permitted in accordance with the schedule that is applicable to the Non-CIC Severance Payment.

(g) Forfeiture of Equity Compensation Awards. Notwithstanding anything to the contrary herein and without limiting any rights and remedies available to the Company under the terms of this Agreement or otherwise at law or in equity (including as may be required by law or pursuant to policies of the Company as may be in effect from time to time), in the event the Company terminates Employee's employment for Cause or if Employee violates the restrictive covenants set forth in Sections 6 and 7 of this Agreement or engages in fraud or willful misconduct that contributes materially to any significant financial restatement or material loss to the Company or any of its affiliates, the Company may, (i) in the case of termination for Cause, at any time up to six months after such termination, or (ii) in the case of a violation of the restrictive covenants or engaging in fraud or willful misconduct, at any time up to six months after learning of such conduct, but in no event more than two years after Employee engages in such conduct, as applicable, terminate or cancel any equity compensation awards granted to Employee by the Company, including any vested amounts thereof, and require Employee to forfeit or remit to the Company any amount payable, or the after-tax net amount paid or received by Employee, in respect of any such equity compensation awards; provided, however, that, in cases where cure is possible, Employee shall first be provided a 15-day cure period to cease, and to cure, such conduct.

6. Non-Solicitation. (a) During the Term and during the Restricted Period, Employee hereby agrees not to, directly or indirectly, solicit or hire or assist any other person or entity in soliciting or hiring any employee of the Company, or any of its affiliates (the "Company Entities"), to perform services for any entity (other than a Company Entity) or attempt to induce any such employee to leave the service of a Company Entity, or solicit, hire or engage on behalf of himself or any other person, any employee of a Company Entity, or anyone who was employed by a Company Entity, during the twelve-month period preceding such hiring or engagement. "Restricted Period" means three years following termination of Employee's employment for any reason.

(b) During the Term and during the Restricted Period, Employee hereby agrees not to, directly or indirectly, solicit, encourage, advise or influence any

individuals, partnerships, corporations, professional associations or other business organizations that have a business relationship with any Company Entity during the Term or for the three years thereafter (the “Company’s Clients”) or to discontinue or reduce the extent of the relationship between the Company Entities and the Company’s Clients or to obtain or seek products or services the same as or similar to the Company Entities from any other source not affiliated with the Company Entities. The Company may, in its sole discretion and upon written request from Employee, grant Employee a written release from Employee’s obligations contained in this Section 6(b).

7. Confidentiality; Non-Compete; Non-Disclosure; Non-Disparagement; Cooperation. (a) Confidentiality. (i) Employee hereby agrees that, during the Term and thereafter, he will hold in strict confidence any Confidential Information related to any of the Company Entities. For purposes of this Agreement, “Confidential Information” shall mean all confidential or proprietary information of any of the Company Entities (in whatever form), including, without limitation: any information, observations and data concerning the business or affairs or operation of the Company Entities developed by Employee during the Term or which any Company Entity or any of their respective members, directors, officers, managers, partners, employees, agents, advisors, attorneys, accountants, consultants, investment bankers, investment advisors or financing sources at any time furnishes or has furnished to Employee in connection with the business of any of the Company Entities; the Company’s (and any of its respective affiliates’) investment methodologies or models, investment advisory contracts, fees and fee schedules or investment performance (“Track Records”); technical information or reports; brand names, trademarks, formulas; trade secrets; unwritten knowledge and “know-how”; operating instructions; training manuals; customer lists; customer buying records and habits; product sales records and documents, and product development, marketing and sales strategies; market surveys; marketing plans; profitability analyses; product cost; long-range plans; information relating to pricing, competitive strategies and new product development; information relating to any forms of compensation or other personnel-related information; contracts and supplier lists and any information relating to financial data, strategic business plans; information about any other third parties in respect of which any Company Entity has a business relationship or owes a duty of confidentiality; and all notes, analyses, compilations, forecasts, studies or other documents prepared by Employee that contain or reflect any such information and which is not known to the public generally other than as a result of Employee’s breach of this Agreement. Without limiting the foregoing, Employee acknowledges and agrees that the Track Records shall not be the work of any one individual (including Employee) and are the exclusive property of the Company and its affiliates, as applicable, and agrees that he shall in no event claim the Track Records as his own following termination of his employment with the Company.

(ii) Except as expressly set forth otherwise in this Agreement (including, without limitation, pursuant to Section 8 of this Agreement), Employee agrees that he shall not disclose the terms of this Agreement except to his immediate family and his financial and legal advisors, or as may be required by law or ordered by a court. Employee further agrees that any disclosure to his financial and legal advisors will only

be made after such advisors acknowledge and agree to maintain the confidentiality of this Agreement and its terms.

(iii) Employee further agrees that he will not improperly use or disclose any confidential information or trade secrets, if any, of any former employers of Employee or any other person to whom Employee has an obligation of confidentiality, and will not bring onto the premises of the Company or its affiliates any unpublished documents or any property belonging to any such former employer or other person to whom Employee has an obligation of confidentiality unless consented to in writing by the former employer or such other person.

(b) Non-Competition. Employee and the Company agree that Employee will occupy a high-level and unique position of trust and confidence with the Company Entities and will have access to their Confidential Information, and that they would likely suffer significant harm from Employee's competing with them during the Term and for some period of time thereafter. Accordingly, Employee agrees that he will not, during the Term and during the Non-compete Period, directly or indirectly become employed by, engage in business with, serve as an agent or consultant to, become an employee, partner, member, principal, stockholder or other owner (other than a holder of less than 1% of the outstanding voting shares of any publicly held company) of, any Competitive Business, or otherwise perform services relating to the business of any of the Company Entities, or businesses they are actively considering, at the time of the termination or during the one year prior to termination (the "Business") for any Competitive Business (whether or not for compensation). For purposes of this Agreement, "Competitive Business" shall mean any individual, employeeship, corporation, limited liability company, partnership, unincorporated organization, trust, joint venture or other entity (i) that engages in or may engage in acquisition related or mergers and acquisition activities related to the transportation or third-party logistics industry, including, without limitation, researching, analyzing and evaluating companies for possible investment in or acquisition of, for itself or clients, (ii) that engages in or may engage in the Business, including, without limitation, any providers of third-party logistics services, including, without limitation, freight brokerage, freight forwarding, expediting, internet load boards or intermodal providers, or firms such as CH Robinson, Expeditors International of Washington, Inc., Echo Global Logistics Inc., Roadrunner Transportation Systems, TransCore, Internet Truckstop LLC, and Hub Group Inc., or (iii) that otherwise competes with the Company Entities anywhere in which the Company Entities engage in or intend to engage in the Business or where any of the Company Entities' customers are located. "Non-Compete Period" means (x) one year following termination of Employee's employment by the Company without Cause or by Employee for Good Reason and (y) three years following termination of Employee's employment for any reason not covered by clause (x) of this definition.

(c) Extended Non-Competition. In the event that Employee's employment with the Company is terminated by the Company without Cause or by Employee for Good Reason, the Company shall have the right to extend the Non-Compete Period for up to two additional 12-month periods (each, an "Extended Non-Compete Period") beyond the completion of the Non-Compete Period. If the Company

elects to extend the Non-Compete Period or the Extended Non-Compete Period, it will notify Employee in writing of such fact not later than the 90th day prior to the expiration of the Non-Compete Period or the then-current Extended Non-Compete Period, as applicable. By signing this Agreement, Employee agrees to accept and abide by the Company's election. If the Company elects to extend the Non-Compete Period, Employee agrees that, during any Extended Non-Compete Period, Employee shall be bound by the restrictions set forth in Section 7(b) in the same manner applicable during the Non-Compete Period, and the Company agrees to pay Employee subject to Section 5(f) of this Agreement during each month of the Extended Non-Compete Period, in an amount equal to his monthly Base Salary as in effect on the Date of Termination (but for purposes of this Section 7(c), in no event shall the monthly Base Salary be less than \$39,583). Payment for any partial month will be prorated. Payment of Employee's Base Salary during the Extended Non-Compete Period will be made pursuant to the Company's normal and customary payroll procedures. If the Company elects to extend the Non-Compete Period or the Extended Non-Compete Period, any monies Employee earns from any other work during such periods, whether as an employee or as an independent contractor, will reduce, dollar for dollar, the amount that the Company is obligated to pay Employee under this Section 7(c). Payments made by the Company under this Section 7(c) are made solely for the extension of the non-compete covenant and do not render Employee either an employee of, or a consultant to, the Company.

(d) Competitive Opportunity. If, at any time during the Term, Employee (i) acquires knowledge of a potential investment, investment opportunity or business venture which may be an appropriate investment by the Company, or in which the Company could otherwise have an interest or expectancy (a "Competitive Opportunity"), or (ii) otherwise is then exploiting any Competitive Opportunity, Employee shall promptly bring such Competitive Opportunity to the Company. In such event, Employee shall not have the right to hold any such Competitive Opportunity for his (and his agents', employees' or affiliates') own account and benefit or to recommend, assign or otherwise transfer or deal in such Competitive Opportunity with persons other than the Company.

(e) Return of Company Property. All documents, data, recordings, or other property, including, without limitation, smartphones, computers and other business equipment, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for Employee and utilized by Employee in the course of his employment with the Company shall remain the exclusive property of the Company and Employee shall return all copies of such property upon any termination of his employment and as otherwise requested by the Company during the Term.

(f) Non-Disparagement. Employee hereby agrees not to defame or disparage any of the Company Entities or any of its officers, directors, members, partners or employees (collectively, the "Company Parties"), and to cooperate with the Company upon reasonable request, in refuting any defamatory or disparaging remarks by any third party made in respect of any of the Company Parties. Employee shall not, directly or indirectly, make (or cause to be made) any comment or statement, oral or written, including, without limitation, in the media or to the press or to any individual or entity, that could reasonably be expected to adversely affect the reputation of any of the

Company Parties or the conduct of its, his or their business. The Company shall request that its directors and executive officers not defame or disparage Employee; provided, however, that the failure of any director, executive officer or employee of the Company to comply with such request shall in no way constitute a breach or violation of the Company's obligations hereunder or otherwise subject the Company to any liability.

(g) Cooperation. During the Term and thereafter (including, without limitation, following the Date of Termination), Employee shall, upon reasonable notice and without the necessity of any Company Entity obtaining a subpoena or court order, provide Employee's reasonable cooperation in connection with any suit, action or proceeding (or any appeal from any suit, action or proceeding), and any investigation and/or defense of any claims asserted against any Company Entity that relates to events occurring during Employee's employment with any Company Entity as to which Employee may have relevant information (including furnishing relevant information and materials to the relevant Company Entity or its designee and/or providing testimony at depositions and at trial), provided that the Company shall reimburse Employee for expenses reasonably incurred in connection with any such cooperation occurring after the termination of Employee's employment and provided that any such cooperation occurring after the Date of Termination shall be scheduled to the extent reasonably practicable so as not to unreasonably interfere with Employee's business or personal affairs.

8. Notification of Subsequent Employer. Employee hereby agrees that, prior to accepting employment with any other person during any period during which Employee remains subject to any of the covenants set forth in Section 6, 7(b) or 7(c) of this Agreement, Employee shall provide such prospective employer with written notice of such provisions of this Agreement, with a copy of such notice delivered simultaneously to the Company.

9. Injunctive Relief. Employee acknowledges that it is impossible to measure in money the damages that will accrue to the Company Parties in the event that Employee breaches any of the restrictive covenants provided in Sections 6 and 7 of this Agreement. In the event that Employee breaches any such restrictive covenant, the Company Parties shall be entitled to an injunction restraining Employee from violating such restrictive covenant (without posting any bond). If any of the Company Parties shall institute any action or proceeding to enforce any such restrictive covenant, Employee hereby waives the claim or defense that such Company Party has an adequate remedy at law and agrees not to assert in any such action or proceeding the claim or defense that there is an adequate remedy at law. The foregoing shall not prejudice the Company's right to require Employee to account for and pay over to the Company, and Employee hereby agrees to account for and pay over, the compensation, profits, monies, accruals or other benefits derived or received by Employee as a result of any transaction constituting a breach of any of the restrictive covenants provided in Sections 6 and 7 of this Agreement or to seek any other relief to which it may be entitled.

10. Miscellaneous. (a) Notices. Any notice or other communication required or permitted under this Agreement shall be effective only if it is in writing and

shall be deemed to be given when delivered personally, or four days after it is mailed by registered or certified mail, postage prepaid, return receipt requested or one day after it is sent by overnight courier service via UPS or FedEx and, in each case, addressed as follows (or if it is sent through any other method agreed upon by the parties):

If to the Company:

XPO Logistics, Inc.
429 Post Road
Buchanan, MI 49107
Attention: Chief Executive Officer

with a copy in either case to:

Cravath, Swaine & Moore LLP
825 Eighth Avenue
Worldwide Plaza
New York, NY 10019
Attention: Jennifer S. Conway, Esq.
Facsimile: (212) 474-3700

If to Employee:

During the Term, to his principal office at the Company,
and after the Term, to his principal residence as listed in the
records of the Company

or to such other address as any party may designate by notice to the others.

(b) Entire Agreement. This Agreement shall constitute the entire agreement and understanding among the parties hereto with respect to Employee's employment hereunder and supersedes and is in full substitution for any and all prior understandings or agreements (whether written or oral) with respect to Employee's employment. The Company does not make and has not made, and Employee does not rely and has not relied on any statement, omission, representation or warranty, written or oral, of any kind or nature whatsoever, regarding the Company or the Equity Compensation, including, without limitation, its or their present, future, prospective or potential value, worth, prospects, performance, soundness, profit or loss potential, or any other matter or thing whatsoever relating to whether Employee should purchase or accept any Equity Compensation and/or the consideration therefor.

(c) Amendment; No Waiver. Except as expressly set forth otherwise in this Agreement (including, without limitation, pursuant to Sections 10(l)(iv) and 10(m) of this Agreement), this Agreement may be amended only by an instrument in writing signed by the parties, and the application of any provision hereof may be waived only by an instrument in writing that specifically identifies the provision whose application is being waived and that is signed by the party against whom or which enforcement of such waiver is sought. The failure of any party at any time to insist upon strict adherence to

any provision hereof shall in no way affect the full right to insist upon strict adherence at any time thereafter, nor shall the waiver by any party of a breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or a waiver of the provision itself or a waiver of any other provision of this Agreement. No failure or delay by either party in exercising any right or power hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or any abandonment of any steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. Termination of this Agreement shall not relieve any party of liability for any breach of this Agreement occurring prior to such termination.

(d) No Construction Against Drafter. The parties acknowledge and agree that each party has reviewed and negotiated the terms and provisions of this Agreement and has had the opportunity to contribute to its revision. Accordingly, any rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement.

(e) Employee Representations and Acknowledgements. Employee represents, warrants and covenants that as of the date hereof: (i) he has the full right, authority and capacity to enter into this Agreement, (ii) he is ready, willing and able to perform his obligations hereunder and, to his knowledge, no reason exists that would prevent him from performing his obligations hereunder, (iii) he is not bound by any agreement that conflicts with or prevents or restricts the full performance of his duties and obligations to the Company hereunder during or after the Term and (iv) the execution and delivery of this Agreement shall not result in any breach or violation of, or a default under, any existing obligation, commitment or agreement to which Employee is subject. Employee acknowledges and agrees that nothing in this Agreement shall (x) entitle Employee to any compensation or other interest in respect of any activity of Jacobs Private Equity, LLC, a Delaware limited liability company ("JPE") or Bradley S. Jacobs other than with respect to the Company; (y) restrict or prohibit the Company, Bradley S. Jacobs or any of his affiliates from having business interests and engaging in business activities in addition to those relating to the Company; or (z) restrict the investments which the Company, Bradley S. Jacobs or JPE or any of his or its affiliates may make, regardless of whether such investment opportunity or investment may be deemed to be a Competitive Opportunity. Employee acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Employee by this Agreement, and is in full accord as to the necessity of such restraints for the reasonable and proper protection of the Confidential Information, business strategies, employee and customer relationships and goodwill of the Company Entities now existing or to be developed in the future. Employee expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, industry scope, time period and geographic area. Employee agrees to comply with each of the covenants contained in Sections 6 and 7 of this Agreement in accordance with their terms, and Employee shall not, and hereby agrees to waive and release any right or claim to, challenge the reasonableness, validity or enforceability of any of the covenants contained in Sections 6 and 7 of this Agreement. Employee further acknowledges that although Employee's compliance with the covenants contained in

Sections 6 and 7 of this Agreement may prevent Employee from earning a livelihood in a business similar to the business of the Company Entities, Employee's experience and capabilities are such that Employee has other opportunities to earn a livelihood and adequate means of support for Employee and Employee's dependents. Employee acknowledges that the Company has advised him that it is in his best interest to consult with an attorney prior to executing this Agreement.

(f) Survival. Employee's obligations under Sections 6 and 7 of this Agreement shall remain in full force and effect for the entire period provided therein notwithstanding any termination of employment or other expiration of the Term or termination of this Agreement. The terms and conditions of Sections 5, 6, 7, 8 and 9 of this Agreement shall survive the Term and termination of Employee's employment.

(g) Assignment. This Agreement is binding on and is for the benefit of the parties hereto and their respective successors, assigns, heirs, executors, administrators and other legal representatives. This Agreement is personal to Employee; and neither this Agreement nor any right or obligation hereunder may be assigned by Employee without the prior written consent of the Company (or except by will or the laws of descent and distribution), and any purported assignment in violation of this Section 10(g) shall be void.

(h) Severability. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable law or public policy, all other conditions and provisions of this Agreement shall nonetheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse; provided, however, that in the event of a final, non-reviewable, non-appealable determination that any provision of Section 6 or 7 of this Agreement (whether in whole or in part) is void or constitutes an unreasonable restriction against Employee, such provision shall not be rendered void but shall be deemed to be modified to the minimum extent necessary to make such provision enforceable for the longest duration and the greatest scope as may constitute a reasonable restriction under the circumstances. Subject to the foregoing, upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

(i) Tax Withholding. The Company may withhold from any amounts payable to Employee hereunder all federal, state, city, foreign or other taxes that the Company may reasonably determine are required to be withheld pursuant to any applicable law or regulation (it being understood that Employee shall be responsible for payment of all taxes in respect of the payments and benefits provided herein).

(j) Cooperation Regarding Equity Compensation. Employee expressly agrees that he shall execute such other documents as reasonably requested by the Company to effect the terms of this Agreement and the issuance of the Equity Compensation as contemplated hereunder in compliance with applicable law.

(k) Governing Law; Arbitration; Consent to Jurisdiction; Waiver of Jury Trial. (i) This Agreement shall be governed by and construed in accordance with its express terms, and otherwise in accordance with the laws of the State of New York without reference to its principles of conflicts of law.

(ii) Any claim initiated by Employee arising out of or relating to this Agreement, or the breach thereof, or Employee's employment, or the termination thereof, shall be resolved by binding arbitration before a single arbitrator in the City, County and State of New York administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(iii) Any claim initiated by the Company arising out of or relating to this Agreement, or the breach thereof, or Employee's employment, or the termination thereof, shall, at the election of the Company be resolved in accordance with Section 10(k)(ii) or (iv) of this Agreement.

(iv) Employee hereby irrevocably submits to the jurisdiction of any state or federal court located in the City, County and State of New York; provided, however, that nothing herein shall preclude the Company from bringing any suit, action or proceeding in any other court for the purposes of enforcing the provisions of this Section 10(k) or enforcing any judgment or award obtained by the Company. Employee waives, to the fullest extent permitted by applicable law, any objection which he now or hereafter has to personal jurisdiction or to the laying of venue of any such suit, action or proceeding brought in an applicable court described in this Section 10(k)(iv), and agrees that he shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any court. Employee agrees that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any suit, action or proceeding brought in any applicable court described in this Section 10(k)(iv) shall be conclusive and binding upon Employee and may be enforced in any other jurisdiction. EMPLOYEE EXPRESSLY AND KNOWINGLY WAIVES ANY RIGHT TO A JURY TRIAL IN THE EVENT THAT ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH THEREOF, OR EMPLOYEE'S EMPLOYMENT, OR THE TERMINATION THEREOF, IS LITIGATED OR HEARD IN ANY COURT.

(v) The prevailing party shall be entitled to recover all legal fees and costs (including reasonable attorney's fees and the fees of experts) from the losing party in connection with any claim arising under this Agreement or Employee's employment hereunder.

(l) Section 409A. (i) It is intended that the provisions of this Agreement comply with Section 409A, and all provisions of this Agreement shall be construed and

interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(ii) Neither Employee nor any of his creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Agreement or under any other plan, policy, arrangement or agreement of or with the Company or any of its affiliates (this Agreement and such other plans, policies, arrangements and agreements, the "Company Plans") to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to Employee or for Employee's benefit under any Company Plan may not be reduced by, or offset against, any amount owing by Employee to the Company or any of its affiliates.

(iii) If, at the time of Employee's separation from service (within the meaning of Section 409A), (i) Employee shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable under a Company Plan constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company (or its affiliate, as applicable) shall not pay such amount on the otherwise scheduled payment date but shall instead accumulate such amount and pay it on the first business day after such six-month period.

(iv) Notwithstanding any provision of this Agreement or any Company Plan to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to any Company Plan as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, Employee is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on Employee or for Employee's account in connection with any Company Plan (including any taxes and penalties under Section 409A), and neither the Company nor any affiliate shall have any obligation to indemnify or otherwise hold Employee harmless from any or all of such taxes or penalties.

(v) For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulation Section 1.409A-2(b)(2)(iii).

(vi) Except as specifically permitted by Section 409A, any benefits and reimbursements provided to Employee under this Agreement during any calendar year shall not affect any benefits and reimbursements to be provided to Employee under this Agreement in any other calendar year, and the right to such benefits and reimbursements cannot be liquidated or exchanged for any other benefit. Furthermore, reimbursement payments shall be made to Employee as soon as practicable following the date that the

applicable expense is incurred, but in no event later than the last day of the calendar year following the calendar year in which the underlying expense is incurred.

(m) Section 105(h). Notwithstanding any provision of this Agreement to the contrary, to the extent necessary to satisfy Section 105(h) of the Code, the Company will be permitted to alter the manner in which medical benefits are provided to Employee following termination of Employee's employment, provided that the after-tax cost to Employee of such benefits shall not be greater than the cost applicable to similarly situated executives of the Company who have not terminated employment.

(n) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Signatures delivered by facsimile or electronic means (including by "pdf") shall be deemed effective for all purposes.

(o) Headings. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

XPO LOGISTICS, INC.

by /s/ Bradley S. Jacobs

Name: Bradley S. Jacobs

Title: Chief Executive Officer

/s/ Sean Fernandez

SEAN FERNANDEZ

XPO Logistics Announces Third Quarter 2011 Results

Outlines Growth Strategy; Announces Executive Appointments

BUCHANAN, Mich. — **November 7, 2011** — XPO Logistics, Inc. (NYSE Amex: XPO), a leading provider of non-asset based, third-party logistics in the transportation industry, today announced financial results for the third quarter of 2011. Total revenue from continuing operations was \$47.4 million, a 6.6% increase from the same period last year.

The company reported net income from continuing operations of \$190,000 compared with net income from continuing operations of \$1.7 million for the same period in 2010. Earnings per share for the third quarter of 2011 reflect a \$44.6 million non-cash accounting charge related to the beneficial conversion features of the previously announced equity investment led by Jacobs Private Equity, LLC. This accounting charge resulted in a \$5.38 loss per diluted share, compared with earnings of \$0.21 per diluted share for the same period in 2010.

EBITDA was \$775,000 for the third quarter, compared with \$3.2 million for the same period in 2010. EBITDA was negatively impacted by \$700,000 of indirect transaction costs related to the equity investment and \$1.6 million of costs for executive recruitment and related fees. A reconciliation of EBITDA to net income is included below.

CEO Comments

Bradley Jacobs, chairman and chief executive officer, said, “While our overall operating results in the quarter were mixed, we’re encouraged by the opportunities to enhance the earnings power of all three of our business units. We have an extensive plan in place to expand XPO through acquisitions, organic growth and the optimization of our operations. In addition, we’ve assembled a highly experienced management team with the specific expertise required for this strategy.”

Jacobs continued, “We began taking action immediately after we closed the equity investment in early September. For example, we’re opening a new truck brokerage location in Phoenix this month to replicate the high-growth model of our Bounce Logistics operation. This is the first of what we intend to be an aggressive expansion of our truck brokerage footprint.”

Third Quarter 2011 Highlights by Business Unit

- *Express-1 (expedited transportation solutions)* generated revenue of \$23.4 million, a 9.4% increase from the same period in 2010. Gross margin percentage was 21.4%, compared with 24.8% in 2010. Operating income was \$2.5 million for the quarter, a 3% decrease from the same period last year. The year-over-year decrease in operating income for the quarter primarily reflects a higher percentage of third-party brokered loads in 2011, and the loss of one-time project work from 2010 that was not replaced this year.
- *Concert Group Logistics (CGL) (freight forwarding)* generated revenue of \$16.9 million, a 9% decrease from the same period in 2010. The decrease was primarily the result of certain lost revenue from larger customers that more than offset an increase in the number of new customers. Operating income was \$639,000 for the quarter, compared to \$552,000 for the same period last year. Operating income benefited from an improvement in gross margin, reflecting a more favorable mix of higher-margin international business relative to lower-margin deferred shipments.
- *Bounce Logistics (premium truck brokerage)* generated revenue of \$8.2 million, a 44.8% increase from the same period in 2010. Operating income was \$499,000 for the quarter, a 78.2% increase over \$280,000 for the same period last year. The improvements in revenue and operating income were primarily driven by increased volumes due to an improvement in sales productivity.

The XPO Growth Strategy

The company began implementing its growth strategy in September 2011 in three key areas:

Targeted acquisitions. The company intends to make selective acquisitions of non-asset based logistics truck brokerage businesses that would benefit from greater scale and potential access to capital, and may make similar acquisitions of freight forwarding, expedited and intermodal service businesses, among others. The company believes it is in a position to make the first phase of acquisitions by using existing cash and expanding its credit facilities.

Organic growth. The company is planning to add a significant number of new truck brokerage offices throughout North America, and is actively recruiting managers with a track record of building successful broker operations. The new brokerage offices are expected to generate revenue growth by developing customer and carrier relationships in new territories.

Optimized operations. The company intends to accelerate the earnings performance of its existing operations, acquired companies and greenfield locations by investing in an expanded sales and service workforce, implementing an advanced IT infrastructure, incorporating industry best practices, and leveraging scale to share capacity more efficiently and increase buying power.

Executive Team

In addition to Bradley Jacobs, chief executive officer, and Scott Malat, senior vice president–strategic planning, both announced previously, the following appointments are now effective:

J. Thomas Connolly, Senior Vice President–Acquisitions

J. Thomas Connolly is responsible for executing the company’s growth strategy related to the acquisition of transportation logistics businesses. He most recently served as managing director of EVE Partners, LLC, a leading financial advisory firm whose practice is focused exclusively on the transportation logistics industry. He holds a master of business administration degree from the Goizueta Business School at Emory University.

Troy A. Cooper, Vice President–Finance

Troy Cooper is responsible for providing financial support to the company’s business units to align performance with strategic objectives. Mr. Cooper was most recently with United Rentals, Inc., where he served as vice president–group controller responsible for field finance functions. Previously, he held controller positions with United Waste Systems, Inc. and OSI Specialties, Inc. (formerly a division of Union Carbide, Inc.). Mr. Cooper began his career in public accounting with Arthur Andersen and Co. and is a certified public accountant.

Gordon E. Devens, Senior Vice President and General Counsel

Beginning November 14, 2011, Gordon Devens will be responsible for all corporate legal matters, governance and compliance, as well as the company’s legal interests relating to acquisitions and other growth initiatives. He was most recently vice president–corporate development with AutoNation, Inc., where he previously held positions as vice president–associate general counsel and senior counsel for its retail automotive group. Earlier, he was an associate at the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, where he specialized in mergers and acquisitions and securities law. He holds a doctorate of jurisprudence degree from the University of Michigan Law School.

M. Sean Fernandez, Chief Operating Officer

Sean Fernandez is responsible for the day-to-day operations and P&L performance of the company. Mr. Fernandez has more than 20 years of leadership experience with global companies in industries that include distribution, consumer goods manufacturing, trucking and transportation. He most recently served as senior

vice president and general manager—consumables for NCR Corporation, and earlier held positions as vice president—new growth platforms with Avery Dennison Corporation; chief operating officer with SIRVA, Inc.; group president with Esselte Corporation; chief operating officer—Asia Pac operations and divisional president with Arrow Electronics, Inc.; and senior engagement manager with McKinsey & Company, Inc. He holds a master of business administration degree from Harvard Business School.

Mario A. Harik, Chief Information Officer

Beginning November 14, 2011, Mario Harik will be responsible for the design and implementation of the company's integrated technology infrastructure. Mr. Harik has consulted to *Fortune 100* firms, and is experienced in building comprehensive IT organizations and proprietary platforms. His prior positions include chief information officer and senior vice president—research and development with Oakleaf Waste Management; chief technology officer with Tallan, Inc.; co-founder of G3 Analyst, where he served as chief architect of web and voice applications; and architect and consultant with Adea Solutions. Mr. Harik holds a master of engineering degree in information technology from Massachusetts Institute of Technology.

Richard M. Metzler, Senior Vice President—Acquisitions

Richard Metzler is responsible for acquisitions and business development. Mr. Metzler most recently served as chief commercial officer for Greatwide Logistics Services, LLC, with prior positions as executive vice president of marketing—Americas for DHL Express, Inc.; and senior vice president—marketing and customer service, Transport International Pool for GE Capital (now GE Trailer Fleet Services). Previously, he held numerous senior positions with Federal Express Corporation, including vice president and general manager, FedEx Logistics—Americas. Mr. Metzler is a member of the boards of directors of EcoSquid, Inc., Flash Global Logistics, Inc. and the Transportation Marketing and Sales Association.

Gregory W. Ritter, Senior Vice President—Brokerage Operations

Gregory Ritter is responsible for opening and developing new truck brokerage operations in North America, due diligence related to acquisitions, and recruitment of an expanded sales and carrier procurement workforce. Mr. Ritter has more than three decades of sales and management experience in multi-modal transportation logistics. He most recently served as the president of a brokerage subsidiary that he established for one of the top 10 transportation logistics providers in North America. Previously, Mr. Ritter spent 22 years with C.H. Robinson Worldwide.

Conference Call

The company will hold a conference call today, Monday, November 7, 2011, at 9:00 a.m. Eastern Time. Participants can call toll-free (from US/Canada) 1-877-407-8031; international callers dial +1-201-689-8031. A replay of the conference will be available until December 7, 2011, by calling toll-free (from US/Canada) 1-877-660-6853; international callers dial +1-201-612-7415. Use account code number 286 and conference ID number 380488. Additionally, the call will be archived on www.xpologistics.com.

Non-GAAP Financial Measures

Earnings before interest, taxes, depreciation and amortization (EBITDA), is a non-GAAP financial measure as defined under the rules and regulations of the SEC. "EBITDA" is defined as net income increased by the sum of interest expense, income taxes, depreciation and amortization. We believe EBITDA is a useful measure of operating performance because it allows management, investors and others to evaluate and compare our core operating results from period to period by removing the impact of our capital structure (interest expense from our outstanding debt), asset base (depreciation and amortization) and tax consequences. In addition to its use by management, we believe EBITDA is a measure widely used by securities analysts, investors and others to evaluate the financial performance of companies in our industry. Other companies may calculate EBITDA differently, and therefore our EBITDA may not be comparable to similarly titled measures of other companies. EBITDA is not a measure of financial performance or liquidity under United States generally accepted accounting principles, or GAAP, and should not be considered in isolation or as an alternative to net income, cash flows from operating activities and other measures determined in accordance with GAAP. Items excluded

from EBITDA are significant and necessary components of the operations of our business, and, therefore, EBITDA should only be used as a supplemental measure of our operating performance.

About XPO Logistics, Inc.

Founded in 1989, XPO Logistics, Inc. is a non-asset based, third-party logistics provider of freight transportation services that uses a network of relationships with ground, sea and air carriers to find the best transportation solutions for its customers. The company offers its services through three distinct business units: Express-1, Inc. (expedited transportation solutions); Concert Group Logistics, Inc. (domestic and international freight forwarding); and Bounce Logistics, Inc. (premium truck brokerage). XPO Logistics serves more than 4,000 retail, commercial, manufacturing and industrial customers through six U.S. operations centers and 23 agent locations. www.xpologistics.com

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts, included in this press release, which address activities, events or developments that the company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), finding suitable merger or acquisition candidates, expansion and growth of the company’s business and operations, and other such matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by the company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. In some cases, readers can identify forward-looking statements by the use of forward-looking terms such as “may”, “will”, “should”, “expect”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or “continue” or the negative of these terms or other comparable terms.

Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements. Factors that could adversely affect actual results and performance include, among others, potential fluctuations in quarterly operating results and expenses, government regulation, technology change, competition and the potential inability to identify and consummate acquisitions and arrange adequate financing. All of the forward-looking statements included in this press release speak only as of the date of this press release. All of the forward-looking statements included in this press release are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the company or its business or operations. The company assumes no obligation to update any such forward-looking statements.

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XPO Logistics, Inc.
Condensed Consolidated Balance Sheets

| | (Unaudited) September 30, 2011 | December 31, 2010 |
|--|-----------------------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 71,473,000 | \$ 561,000 |
| Accounts receivable, net of allowances of \$113,000 and \$136,000, respectively | 26,332,000 | 24,272,000 |
| Prepaid expenses | 607,000 | 257,000 |
| Deferred tax asset, current | 0 | 314,000 |
| Income tax receivable | 869,000 | 1,348,000 |
| Other current assets | 246,000 | 813,000 |
| Total current assets | 99,527,000 | 27,565,000 |
| Property and equipment, net of \$3,768,000 and \$3,290,000 in accumulated depreciation, respectively | 2,868,000 | 2,960,000 |
| Goodwill | 16,959,000 | 16,959,000 |
| Identifiable intangible assets, net of \$3,211,000 and \$2,827,000 in accumulated amortization, respectively | 8,162,000 | 8,546,000 |
| Loans and advances | 115,000 | 126,000 |
| Other long-term assets | 399,000 | 516,000 |
| Total long-term assets | 28,503,000 | 29,107,000 |
| Total assets | \$ 128,030,000 | \$ 56,672,000 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 7,130,000 | \$ 8,756,000 |
| Accrued salaries and wages | 912,000 | 1,165,000 |
| Accrued expenses, other | 4,729,000 | 2,877,000 |
| Deferred tax liability, current | 94,000 | 0 |
| Current maturities of long-term debt and capital leases | 1,674,000 | 1,680,000 |
| Other current liabilities | 746,000 | 773,000 |
| Total current liabilities | 15,285,000 | 15,251,000 |
| Line of credit | 0 | 2,749,000 |
| Long-term debt and capital leases, net of current maturities | 873,000 | 2,083,000 |
| Deferred tax liability, long-term | 2,412,000 | 2,032,000 |
| Other long-term liabilities | 477,000 | 544,000 |
| Total long-term liabilities | 3,762,000 | 7,408,000 |
| Stockholders' equity: | | |
| Preferred stock, \$.001 par value; 10,000,000 shares; 75,000 shares and none issued and outstanding, respectively | 42,794,000 | 0 |
| Common stock, \$.001 par value; 150,000,000 shares authorized; 8,297,891 and 8,171,881 shares issued, respectively; and 8,252,891 and 8,126,881 shares outstanding, respectively | 8,000 | 8,000 |
| Additional paid-in capital | 101,399,000 | 27,233,000 |
| Treasury stock, at cost, 45,000 shares held | (107,000) | (107,000) |
| Accumulated (deficit) earnings | (35,111,000) | 6,879,000 |
| Total stockholders' equity | 108,983,000 | 34,013,000 |
| Total liabilities and stockholders' equity | \$ 128,030,000 | \$ 56,672,000 |

XPO Logistics, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

| | <u>Three Months Ended September 30,</u> | | <u>Difference</u> | <u>%</u> | <u>Nine Months Ended September 30,</u> | | <u>Difference</u> | <u>%</u> |
|--|---|---------------------|-----------------------|-----------------|--|---------------------|-----------------------|-----------------|
| | <u>2011</u> | <u>2010</u> | | | <u>2011</u> | <u>2010</u> | | |
| Revenues | | | | | | | | |
| Operating revenue | \$ 47,389,000 | \$ 44,448,000 | \$ 2,941,000 | 6.6% | \$132,991,000 | \$116,430,000 | \$ 16,561,000 | 14.2% |
| Direct expense | | | | | | | | |
| Transportation services | 35,539,000 | 32,992,000 | 2,547,000 | 7.7% | 99,568,000 | 86,131,000 | 13,437,000 | 15.6% |
| Station commissions | 2,798,000 | 2,785,000 | 13,000 | 0.5% | 8,387,000 | 7,798,000 | 589,000 | 7.6% |
| Insurance | 426,000 | 235,000 | 191,000 | 81.3% | 1,182,000 | 819,000 | 363,000 | 44.3% |
| Other | 406,000 | 297,000 | 109,000 | 36.7% | 1,247,000 | 705,000 | 542,000 | 76.9% |
| Direct expense | <u>39,169,000</u> | <u>36,309,000</u> | <u>2,860,000</u> | <u>7.9%</u> | <u>110,384,000</u> | <u>95,453,000</u> | <u>14,931,000</u> | <u>15.6%</u> |
| Gross margin | <u>8,220,000</u> | <u>8,139,000</u> | <u>81,000</u> | <u>1.0%</u> | <u>22,607,000</u> | <u>20,977,000</u> | <u>1,630,000</u> | <u>7.8%</u> |
| SG&A expenses | | | | | | | | |
| Salaries & benefits | 3,420,000 | 3,298,000 | 122,000 | 3.7% | 9,709,000 | 8,714,000 | 995,000 | 11.4% |
| Purchased services | 2,996,000 | 628,000 | 2,368,000 | 377.1% | 4,912,000 | 1,775,000 | 3,137,000 | 176.7% |
| Depreciation & amortization | 253,000 | 276,000 | (23,000) | -8.3% | 795,000 | 883,000 | (88,000) | -10.0% |
| Other | 1,081,000 | 1,017,000 | 64,000 | 6.3% | 3,078,000 | 2,520,000 | 558,000 | 22.1% |
| Total SG&A expenses | <u>7,750,000</u> | <u>5,219,000</u> | <u>2,531,000</u> | <u>48.5%</u> | <u>18,494,000</u> | <u>13,892,000</u> | <u>4,602,000</u> | <u>33.1%</u> |
| Operating income | <u>470,000</u> | <u>2,920,000</u> | <u>(2,450,000)</u> | <u>-83.9%</u> | <u>4,113,000</u> | <u>7,085,000</u> | <u>(2,972,000)</u> | <u>-41.9%</u> |
| Other expense | — | 48,000 | (48,000) | -100.0% | 62,000 | 102,000 | (40,000) | -39.2% |
| Interest expense | 49,000 | 32,000 | 17,000 | 53.1% | 145,000 | 140,000 | 5,000 | 3.6% |
| Income before income tax | 421,000 | 2,840,000 | (2,419,000) | -85.2% | 3,906,000 | 6,843,000 | (2,937,000) | -42.9% |
| Income tax provision (benefit) | 231,000 | 1,110,000 | (879,000) | -79.2% | 1,685,000 | 2,775,000 | (1,090,000) | -39.3% |
| Net income | 190,000 | 1,730,000 | (1,540,000) | -89% | 2,221,000 | 4,068,000 | (1,847,000) | -45% |
| Preferred stock beneficial conversion charge and dividends | (44,586,000) | — | (44,586,000) | — | (44,586,000) | — | (44,586,000) | — |
| Net (loss) income available to common shareholders | <u>\$ (44,396,000)</u> | <u>\$ 1,730,000</u> | <u>\$(46,126,000)</u> | <u>-2666.2%</u> | <u>\$ (42,365,000)</u> | <u>\$ 4,068,000</u> | <u>\$(46,433,000)</u> | <u>-1141.4%</u> |
| Basic (loss) earnings per common share | (5.38) | 0.21 | | | (5.15) | 0.51 | | |
| Diluted (loss) earnings per share | (5.38) | 0.21 | | | (5.15) | 0.50 | | |
| Basic weighted average common shares outstanding | 8,252,891 | 8,095,376 | | | 8,227,375 | 8,038,723 | | |
| Diluted weighted average common shares outstanding | 8,252,891 | 8,252,186 | | | 8,227,375 | 8,185,456 | | |

Express-1, Inc.
Schedule of Operating Income
(Unaudited)

| | <u>Three Months Ended September 30,</u> | | | | <u>Nine Months Ended September 30,</u> | | | |
|--------------------------------|---|---------------------|--------------------|--------------|--|---------------------|---------------------|--------------|
| | <u>2011</u> | <u>2010</u> | <u>Difference</u> | <u>%</u> | <u>2011</u> | <u>2010</u> | <u>Difference</u> | <u>%</u> |
| Revenues | | | | | | | | |
| Operating revenue | \$ 23,419,000 | \$ 21,407,000 | \$2,012,000 | 9.4% | \$ 67,221,000 | \$ 58,176,000 | \$9,045,000 | 15.5% |
| Direct expense | | | | | | | | |
| Transportation services | 17,634,000 | 15,590,000 | 2,044,000 | 13.1% | 50,888,000 | 42,929,000 | 7,959,000 | 18.5% |
| Insurance | 371,000 | 208,000 | 163,000 | 78.4% | 1,038,000 | 724,000 | 314,000 | 43.4% |
| Other | 406,000 | 298,000 | 108,000 | 36.2% | 1,247,000 | 705,000 | 542,000 | 76.9% |
| Direct expense | <u>18,411,000</u> | <u>16,096,000</u> | <u>2,315,000</u> | <u>14.4%</u> | <u>53,173,000</u> | <u>44,358,000</u> | <u>8,815,000</u> | <u>19.9%</u> |
| Gross margin | <u>5,008,000</u> | <u>5,311,000</u> | <u>(303,000)</u> | <u>-5.7%</u> | <u>14,048,000</u> | <u>13,818,000</u> | <u>230,000</u> | <u>1.7%</u> |
| SG&A expenses | | | | | | | | |
| Salaries & benefits | 1,732,000 | 1,919,000 | (187,000) | -9.7% | 5,209,000 | 5,075,000 | 134,000 | 2.6% |
| Purchased services | 365,000 | 339,000 | 26,000 | 7.7% | 1,066,000 | 866,000 | 200,000 | 23.1% |
| Depreciation & amortization | 93,000 | 123,000 | (30,000) | -24.4% | 317,000 | 362,000 | (45,000) | -12.4% |
| Other | 365,000 | 398,000 | (33,000) | -8.3% | 1,088,000 | 852,000 | 236,000 | 27.7% |
| Total SG&A expenses | <u>2,555,000</u> | <u>2,779,000</u> | <u>(224,000)</u> | <u>-8.1%</u> | <u>7,680,000</u> | <u>7,155,000</u> | <u>525,000</u> | <u>7.3%</u> |
| Operating income | <u>\$ 2,453,000</u> | <u>\$ 2,532,000</u> | <u>\$ (79,000)</u> | <u>-3.1%</u> | <u>\$ 6,368,000</u> | <u>\$ 6,663,000</u> | <u>\$ (295,000)</u> | <u>-4.4%</u> |

Total depreciation and amortization for the Express-1 operating segment, included in both direct expense and SG&A, was \$144,000 and \$172,000 for the three-month periods ended September 30, 2011 and 2010, respectively, and \$465,000 and \$505,000 for the nine-month periods ended September 30, 2011 and 2010, respectively.

Concert Group Logistics, Inc.
Schedule of Operating Income
(Unaudited)

| | <u>Three Months Ended September 30,</u> | | | | <u>Nine Months Ended September 30,</u> | | | |
|--------------------------------|---|-------------------|--------------------|--------------|--|---------------------|-------------------|--------------|
| | <u>2011</u> | <u>2010</u> | <u>Difference</u> | <u>%</u> | <u>2011</u> | <u>2010</u> | <u>Difference</u> | <u>%</u> |
| Revenues | | | | | | | | |
| Operating revenue | \$ 16,918,000 | \$ 18,586,000 | \$(1,668,000) | -9.0% | \$ 48,379,000 | \$ 47,598,000 | \$ 781,000 | 1.6% |
| Direct expense | | | | | | | | |
| Transportation services | 12,231,000 | 13,889,000 | (1,658,000) | -11.9% | 34,643,000 | 34,767,000 | (124,000) | -0.4% |
| Station commissions | 2,798,000 | 2,785,000 | 13,000 | 0.5% | 8,387,000 | 7,798,000 | 589,000 | 7.6% |
| Insurance | 35,000 | 25,000 | 10,000 | 40.0% | 99,000 | 87,000 | 12,000 | 13.8% |
| Other | — | — | — | | (1,000) | 1,000 | (2,000) | -200.0% |
| Direct expense | <u>15,064,000</u> | <u>16,699,000</u> | <u>(1,635,000)</u> | <u>-9.8%</u> | <u>43,128,000</u> | <u>42,653,000</u> | <u>475,000</u> | <u>1.1%</u> |
| Gross margin | <u>1,854,000</u> | <u>1,887,000</u> | <u>(33,000)</u> | <u>-1.7%</u> | <u>5,251,000</u> | <u>4,945,000</u> | <u>306,000</u> | <u>6.2%</u> |
| SG&A expenses | | | | | | | | |
| Salaries & benefits | 696,000 | 789,000 | (93,000) | -11.8% | 2,123,000 | 2,002,000 | 121,000 | 6.0% |
| Purchased services | 123,000 | 64,000 | 59,000 | 92.2% | 310,000 | 154,000 | 156,000 | 101.3% |
| Depreciation & amortization | 144,000 | 140,000 | 4,000 | 2.9% | 430,000 | 484,000 | (54,000) | -11.2% |
| Other | 252,000 | 342,000 | (90,000) | -26.3% | 878,000 | 942,000 | (64,000) | -6.8% |
| Total SG&A expenses | <u>1,215,000</u> | <u>1,335,000</u> | <u>(120,000)</u> | <u>-9.0%</u> | <u>3,741,000</u> | <u>3,582,000</u> | <u>159,000</u> | <u>4.4%</u> |
| Operating income | <u>\$ 639,000</u> | <u>\$ 552,000</u> | <u>\$ 87,000</u> | <u>15.8%</u> | <u>\$ 1,510,000</u> | <u>\$ 1,363,000</u> | <u>\$ 147,000</u> | <u>10.8%</u> |

Bounce Logistics, Inc.
Schedule of Operating Income
(Unaudited)

| | <u>Three Months Ended September 30,</u> | | | | <u>Nine Months Ended September 30,</u> | | | |
|--------------------------------|---|-------------------|-------------------|--------------|--|-------------------|-------------------|--------------|
| | <u>2011</u> | <u>2010</u> | <u>Difference</u> | <u>%</u> | <u>2011</u> | <u>2010</u> | <u>Difference</u> | <u>%</u> |
| Revenues | | | | | | | | |
| Operating revenue | \$ 8,246,000 | \$ 5,696,000 | \$2,550,000 | 44.8% | \$ 20,916,000 | \$ 13,494,000 | \$7,422,000 | 55.0% |
| Direct expense | | | | | | | | |
| Transportation services | 6,868,000 | 4,754,000 | 2,114,000 | 44.5% | 17,562,000 | 11,273,000 | 6,289,000 | 55.8% |
| Insurance | 20,000 | 2,000 | 18,000 | 900.0% | 45,000 | 8,000 | 37,000 | 462.5% |
| Other | — | (1,000) | 1,000 | -100.0% | 1,000 | (1,000) | 2,000 | -200.0% |
| Direct expense | <u>6,888,000</u> | <u>4,755,000</u> | <u>2,133,000</u> | <u>44.9%</u> | <u>17,608,000</u> | <u>11,280,000</u> | <u>6,328,000</u> | <u>56.1%</u> |
| Gross margin | <u>1,358,000</u> | <u>941,000</u> | <u>417,000</u> | <u>44.3%</u> | <u>3,308,000</u> | <u>2,214,000</u> | <u>1,094,000</u> | <u>49.4%</u> |
| SG&A expenses | | | | | | | | |
| Salaries & benefits | 681,000 | 472,000 | 209,000 | 44.3% | 1,779,000 | 1,216,000 | 563,000 | 46.3% |
| Purchased services | 38,000 | 34,000 | 4,000 | 11.8% | 113,000 | 60,000 | 53,000 | 88.3% |
| Depreciation & amortization | 11,000 | 8,000 | 3,000 | 37.5% | 32,000 | 23,000 | 9,000 | 39.1% |
| Other | 129,000 | 147,000 | (18,000) | -12.2% | 575,000 | 397,000 | 178,000 | 44.8% |
| Total SG&A expenses | <u>859,000</u> | <u>661,000</u> | <u>198,000</u> | <u>30.0%</u> | <u>2,499,000</u> | <u>1,696,000</u> | <u>803,000</u> | <u>47.3%</u> |
| Operating income | <u>\$ 499,000</u> | <u>\$ 280,000</u> | <u>\$ 219,000</u> | <u>78.2%</u> | <u>\$ 809,000</u> | <u>\$ 518,000</u> | <u>\$ 291,000</u> | <u>56.2%</u> |

XPO Corporate
Schedule of SG&A Expense
(Unaudited)

| | <u>Three Months Ended September 30,</u> | | | | <u>Nine Months Ended September 30,</u> | | | |
|--------------------------------|---|-------------------|--------------------|---------------|--|---------------------|--------------------|---------------|
| | <u>2011</u> | <u>2010</u> | <u>Difference</u> | <u>%</u> | <u>2011</u> | <u>2010</u> | <u>Difference</u> | <u>%</u> |
| SG&A expenses | | | | | | | | |
| Salaries & benefits | \$ 311,000 | \$ 118,000 | \$ 193,000 | 163.6% | \$ 598,000 | \$ 421,000 | \$ 177,000 | 42.0% |
| Purchased services | 2,470,000 | 191,000 | 2,279,000 | 1193.2% | 3,423,000 | 695,000 | 2,728,000 | 392.5% |
| Depreciation & amortization | 5,000 | 5,000 | — | 0.0% | 16,000 | 14,000 | 2,000 | 14.3% |
| Other | 335,000 | 130,000 | 205,000 | 157.7% | 537,000 | 329,000 | 208,000 | 63.2% |
| Total SG&A expenses | <u>\$ 3,121,000</u> | <u>\$ 444,000</u> | <u>\$2,677,000</u> | <u>602.9%</u> | <u>\$ 4,574,000</u> | <u>\$ 1,459,000</u> | <u>\$3,115,000</u> | <u>213.5%</u> |

XPO Logistics, Inc.
Consolidated Reconciliation of EBITDA to Net Income
(Unaudited)

| | <u>Three Months Ended September 30,</u> | | | | <u>Nine Months Ended September 30,</u> | | | |
|-----------------------------|---|---------------------|----------------------|---------------|--|---------------------|----------------------|---------------|
| | <u>2011</u> | <u>2010</u> | <u>Difference</u> | <u>%</u> | <u>2011</u> | <u>2010</u> | <u>Difference</u> | <u>%</u> |
| Net Income | \$ 190,000 | \$ 1,730,000 | \$(1,540,000) | -89% | \$ 2,221,000 | \$ 4,068,000 | \$(1,847,000) | -45% |
| Interest | 49,000 | 32,000 | 17,000 | 53.1% | 145,000 | 140,000 | 5,000 | 3.6% |
| Tax provision | 231,000 | 1,110,000 | (879,000) | -79.2% | 1,685,000 | 2,775,000 | (1,090,000) | -39.3% |
| Depreciation & amortization | 305,000 | 325,000 | (20,000) | -6.2% | 944,000 | 1,026,000 | (82,000) | -8.0% |
| EBITDA | <u>\$ 775,000</u> | <u>\$ 3,197,000</u> | <u>\$(2,422,000)</u> | <u>-75.8%</u> | <u>\$ 4,995,000</u> | <u>\$ 8,009,000</u> | <u>\$(3,014,000)</u> | <u>-37.6%</u> |

XPO Logistics, Inc.
Diluted Share Information

| | Weighted average diluted shares for the three months ended September 30, 2011 | Weighted average diluted shares for the nine months ended September 30, 2011 |
|--|--|---|
| Common stock outstanding | 8,252,891 | 8,227,382 |
| Full dilution of preferred stock | 3,260,870 | 1,098,901 |
| Full dilution of warrants | 4,564,303 | 3,634,255 |
| Full dilution of outstanding stock options | 402,819 | 360,693 |
| Full dilution of restricted stock units | 559 | 186 |
| Total | <u>16,481,442</u> | <u>13,321,417</u> |

For dilution purposes, GAAP requires diluted shares to be reflected on a weighted average basis, which takes into account the portion of the period in which the diluted shares were outstanding. The table above reflects the weighted average diluted shares for the three- and nine-month periods ended September 30, 2011. The impact of this dilution was not reflected in the earnings per share calculations on the Condensed Consolidated Statements of Operations because the impact was anti-dilutive.

For informational purposes, the following table represents fully diluted shares as of September 30, 2011, calculated on a non-weighted basis without giving effect to the portion of any period in which the diluted shares were outstanding. The dilutive effect of warrants and options in the table was calculated using the average closing market price of common stock for the three-month period ended September 30, 2011.

| | Diluted shares as of September 30, 2011 |
|--|--|
| Common stock outstanding | 8,252,891 |
| Full dilution of preferred stock | 10,714,286 |
| Full dilution of warrants | 4,564,303 |
| Full dilution of outstanding stock options | 402,819 |
| Full dilution of restricted stock units | 559 |
| Total | <u>23,934,858</u> |